



KADB/KAFC 2009 Annual Meeting

Model Program Forum
January 15, 2009



Conceptual Changes Model/Menu

The Kentucky Agricultural Development Board (KADB) is considering changes in the policies and processes for the County Model Programs and the Menu Approach Program for Model Programs.

These changes are motivated by the desire of the KADB to ensure maximum access and broad participation in these programs.



Conceptual Changes Model/Menu

At their December 19, 2008 meeting, the KADB approved the general concepts and objectives of these changes and committed to an extensive information gathering period.



Conceptual Changes Model/Menu

The KADB and the Governor's Office of Agricultural Policy staff will consult with county boards and administrators, agents, agricultural leaders and other stakeholders in gathering feedback and suggestions to be used in finalizing changes for the 2009 programs.

Your input will be critical to shaping the final changes to these programs.



Conceptual Changes Model/Menu

To facilitate this input gathering process, a “blackout” period for accepting Model Program and Menu Approach Program applications will be in place from January 5, 2009 to March 20, 2009.

Applications received prior to January 5, 2009 will operate under 2008 Program guidelines.



Conceptual Changes Model/Menu

Amendments for 2008 programs will be considered and acted upon by the KADB during the blackout period.

Upon conclusion of a thorough feedback gathering period and an anticipated decision on March 20, 2009 by the KADB to move forward, applications from counties would be considered at the April 17, 2009 KADB meeting.



Concept 1: Name change

It is proposed that the program will be known as the “County Agriculture Investment Program”.

Model Programs will now be known as “investment areas”.



Concept 2: All Programs Offered

It is proposed that all investment areas approved by the Agricultural Development Board will be made available to all eligible producers.

Incorporating all investment areas into one program will allow for a greater variety of offerings and broader access for participation to all producers in the county.



Concept 3: Investment Program Term

It is proposed that all County Agriculture Investment Programs will have a term of 12 months from the date of execution of the legal agreement.

A consistent duration for all programs will provide uniformity and continuity for program administration as well as improving the ability for compliance to track closing dates.



Concept 4: Funds Limited

The drought conditions of the past two years have created a need for additional on-farm investments.

Therefore it is proposed that the County Agriculture Investment Program will provide a maximum of \$7,500 to any individual eligible producer for county programs initiated in 2009.



Concept 4: Funds Limited

A producer may apply for multiple investment areas however the total award may not exceed \$7,500 annually.

County Councils may elect to reduce the per producer cost share limits.



Concept 5: Allocation of Funds

County Funds for the County Agriculture Investment Program may not be allocated per investment area, but only to the program as a whole.

If the county elects to reduce the per producer annual cost-share limits, that reduction shall apply to all investment areas.



Concept 5: Allocation of Funds

For example, if a county chooses to reduce the maximum cost share available in the Farm Livestock Fencing Improvement investment area to \$1500, then all other investment areas shall be reduced to \$1500 as well.



Concept 6: Tobacco Dependency

Tobacco dependency restrictions have prevented some producers from being eligible for participating in County Agriculture Investment Programs.

It is proposed that, for the purposes of the County Agriculture Investment Program, tobacco dependence is defined as:



Concept 6: Tobacco Dependency

“A producer applicant who has received a Phase II check, a Buyout check, or who grew and marketed tobacco during the previous growing and marketing season.

The Agricultural Development Board considers the son or daughter of these individuals as tobacco dependent.”

Lack of tobacco dependency shall not automatically render a producer ineligible for program participation.



Concept 7: Lifetime Limits Eliminated

Adoption of the annual cost-share limit paired with the eligible producer definition will make the lifetime limit unnecessary while allowing for more efficient and accurate compliance and tracking of producer payments.



Concept 7: Lifetime Limits Eliminated

It is proposed that the producer lifetime limits be eliminated.

Producer payments will still be monitored and will be available on the Governor's Office of Agricultural Policy website.



Concept 8: Standardized Application

In an effort to ensure equity among producers across all investment areas, it is proposed that a standardized application and scoring system be developed that will be utilized by all County Councils/Administrators.

Individual applications will be scored against all applications submitted for the County Agriculture Investment Program investment areas.



Concept 8: Standardized Application

Applications will not be scored by individual investment area or on a first come/first served basis.

Tobacco dependency, prior receipt of county funds, and beginning farmer status will be a part of the standardized scoring criteria.



Concept 9: One Administrator

In order to achieve a higher level of program compliance, based on independent audit findings and recommendations, it is proposed that each county will designate a single lead administrator that will be responsible for compliance reporting, disbursement, and all other contractual obligations.

However, the lead administrator would be allowed to subcontract portions of administrative services.



Concept 9: One Administrator

This change will provide for streamlined accountability for compliance as well as improved communication between the Governor's Office of Agricultural Policy staff and county administrators.

This new program concept provides an opportunity to consolidate and simplify educational requirements for investment areas.



Concept 10: Investment Area Change

It is proposed that the percentage of county cost share in the Cattle Genetics investment area be reduced from 50% to 33% (Producer contribution 67%, County Agriculture Investment Program contribution 33%).

It is also proposed that the dollar limit and number of head limit be removed for both bulls and heifers.

Raising of the EPD requirements is also being considered.



Project Application Schedule

Project Application	Project Referred	Project Discussed	Project Eligible
Due Date	To ADB	By ADB	For Vote by ADB
February 13, 2009	February 20, 2009	March 20, 2009	April 17, 2009
April 10, 2009	April 17, 2009	May 15, 2009	June 19, 2009
June 12, 2009	June 19, 2009	July 17, 2009	August 21, 2009
August 14, 2009	August 21, 2009	September 18, 2009	October 16, 2009
October 9, 2009	October 16, 2009	November 20, 2009	December 18, 2009
December 11, 2009	December 18, 2009	January 15, 2010	February 19, 2010



Agricultural Diversification

- Include washing equipment in Commercial Vegetable investment area.
- Move Timber Production Model Program back into an eligible investment area of Agricultural Diversification.



Cattle Handling Facilities

- Include animal waste spreaders under “waste handling and distribution equipment.”



Kentucky

Commercial Poultry, Dairy, & Swine

- Combine these three model programs into one.

Kentucky

Commercial Poultry, Dairy, & Swine

Commercial Poultry Component

Remove the following eligible items due to the fact that these should be covered by the integrator:

- Equipment essential to provide on-farm value-added processing.
- Refrigerated and non-refrigerated equipment for transporting product.
- Promotional and advertising materials.



Commercial Poultry, Dairy, & Swine

Dairy Component

- Change forage mixers to forage/TMR mixers.
- Include hoof trimming chutes, foot baths, and shade cloth.
- Include water beds after free-stall mattresses.
- Change calf-raising facilities to young stock facilities.



Commercial Poultry, Dairy, & Swine

Swine Component

- Include waste handling and distribution equipment.



Farm Livestock Fencing



- Increase cost-share from \$1.00/linear foot to \$1.50/linear foot.
- Remove the per acre calculation option and simply pay based on feet of fence built.



Forage Improvement

- Include herbicide in the Forage/Pasture Development and Pasture/Grain Improvement sections.
- Include manure spreaders under Forage/Pasture Development section.
- Include expenses associated with water meter installation under Fence and Water section.



Goat & Sheep Diversification

- Combine Side Panels, Gates, and One-way Gates into one Gates Category.
- Require that equipment must be owned and maintained for 5 years to be consistent with other programs.



Farm Structures and Commodity Handling

- Formerly **Hay, Straw, & Commodity Storage.**
- Change from “Hay Handling Equipment” to “Commodity Handling Equipment” and include hay rings and concrete and portable feed bunks



Kentucky

Farm Structures and Commodity Handling

- Change round bale wagon to hay wagon and bale packager to bale accumulator.
- Change payments from 90/10 to 100% at the completion of the project.

Kentucky

On-farm Water Enhancement



- Include expenses associated with water meter installation.



Shared-use Equipment

- State that collection of future rental fees as match for the equipment purchase is not allowed.



Technology

- No changes recommended



- For further information see our website at: www.agpolicy.ky.gov
- Send additional comments and suggestions to: govkyagpolicy@ky.gov
- Also contact us at:
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